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August 17, 1997, Sunday, ARLINGTON MORNING NEWS EDITION

SECTION: NEWS; Pg. 1A

LENGTH: 3356 words

HEADLINE: Multilevel marketing firm draws complaints;
HOPE officials say distributors' concerns have been addressed

BYLINE: Tamara Chuang, Staff Writer of the Arlington Morning News

BODY:

Kent Traynor quit his job as a university marketing director last April for what he hoped would be the opportunity of a lifetime.

The Plano resident plunged into network marketing by selling gasoline at a discount and recruiting others to do likewise for an upstart Arlington company called HOPE Inc.

Now, four months later, Mr. Traynor isn't so enthused. He said that he's recruited about 100 people but spent \$ 10,000 of his own savings while doing so. The \$ 215 compensation check he received has been hardly enough to live on, he said, forcing him last month to find a new job with an insurance company.

"I've lost quite a bit money, and have quite a bit of heartache," said Mr. Traynor, who faults company leaders for a lack of business acumen. "But they don't owe me any money. I had my eyes open."

HOPE - an acronym for High Opportunity Petroleum Enterprises - opened March 8 in a South Arlington office complex. In its short existence, the company, which thrives on adding levels of product-buying distributors, has opened a second office, signed up 51,000 people and started expanding its discount program.

But the burgeoning operation is the target of 17 complaints filed with the state attorney general's office and 27 more with the Better Business Bureau of Tarrant County, which has received 897 inquiries on HOPE since January.

The complaints, filed from cities as far a way as Santa Monica, Calif., Las Vegas and Colorado Springs, generally concern unsatisfactory product delivery and the length of time for refunds, said John Riggins, president of the Better Business Bureau of Tarrant County.

Several major oil companies question HOPE's claim that it offers its distributors a universal fuel card, since not all gas stations accept the brand of debit card the company distributes.

And while many of HOPE's distributors boast of healthy paychecks, some say they can't even use the gas card in their city and have tried unsuccessfully for months to get refunds.

HOPE's exploding growth has caused pains, said Mark S. Manuel, who runs the company with his brother Greg A. Manuel and partner Jeffrey N. Walker.

Mark Manuel said the company has received 49 complaints from distributors, which he said seemed minor compared to the 51,000 people in the company.

"Do we get disgruntled people? Absolutely. Everyone does," he said. "There's no way I'll deny that fulfillment has been a problem."

Mr. Manuel said he doesn't handle individual complaints and could not provide specifics, but added: "Every complaint has been addressed."

HOPE executives declined to release financial information about the company.

The privately held firm has been plagued by problems.

On Friday, a HOPE shareholder sued the company's executive officers, alleging they are misusing company funds for their personal use.

Kevin Jordan and Walkman Incentive Corp. seek to replace the leadership of HOPE "to conserve the assets and business of the corporation," according to the suit filed in a Tarrant County district court.

Named as defendants in the suit are the company's three controlling shareholders - the Manuel brothers and Mr. Walker.

In May, HOPE filed a lawsuit against Mobil Oil. The complaint alleges Mobil broke a contract for the company to use Mobil's gas card with HOPE's name on it.

Original goals were to have 20,000 distributors by late 1997.

Now, the company expects to have 100,000 by December, Mr. Manuel said.

"Our greatest asset is also our greatest weakness - growth," said Mr. Manuel, who, like his partners, is an ordained minister for the Pentecostal church.

Plastic HOPE

HOPE's system is based on a gasoline card and a bottle of fuel enhancer. Only distributors can purchase the products. While it costs nothing to become a HOPE distributor, distributors do not make money until they purchase a product kit.

The cheapest kit costs \$ 195 and includes a dozen bottles of fuel enhancer and a plastic gas card with \$ 25 of credit.

The distributor can buy up to \$ 800 of gas per month by paying money into the card's account.

For every dollar the distributor pays to the account, the company will provide \$ 1.10 of credit toward gasoline purchases. So a \$ 720 investment can buy about \$ 800 of gas.

HOPE's cards, imprinted with the Money Access Center logo, MAC, were originally limited to gas purchases. The company recently expanded the use of the card so distributors can purchase other goods at stores that accept debit cards.

The complete sales kit costs about \$ 270. It includes two \$ 25 gas cards, a dozen bottles of fuel enhancer and, until recently, a Jerry Savelle Ministries motivational tape titled "Seizing God-given Opportunities."

A Lubbock company called Maxma L.C., manufactures the fuel enhancer. The company has a patent on the formula, which includes ethanol and other chemicals.

Maxma officials say they are pleased with HOPE's business, but they have one contention - the price of the product. Maxma charges \$ 12.95 for a 12-ounce bottle. HOPE's 6-ounce bottles sell for nearly \$ 16 each.

To make money, a distributor must sponsor just two people.

Compensation is based on the sales that the distributor and his or her family of recruits makes - \$ 200 for the first 15 sales and \$ 400 for the next 40 - before the cycle begins again, according to company materials.

One sale is equivalent to a \$ 195 combination kit of fuel enhancer and fuel card, or the complete \$ 270 sales kit.

A distributor can sponsor only two people, but can add new recruits under the two "legs" of the original distributor, thereby creating a triangle that keeps growing.

HOPE pays 60 percent of the money made by the product sales to distributors as commissions, Mr. Manuel said.

"We're not going to pay out more than 60 percent of what we make or we can't stay in business," he said.

HOPE pays for the 10 percent gas discount from within the company using formulas that Mr. Manuel declined to reveal.

"The 10 percent comes from HOPE, and where we get it from is a trade secret," he said.

HOPE or hype?

Since mid-April, 17 people filed complaints against HOPE with the state attorney general's office.

The agency won't say whether it is investigating the company but it indicated that two of the complaints have been resolved.

In comparison, the attorney general received 55 complaints during the past two years for a North Texas multilevel marketing company that sells gold coins; and 52 complaints against Gold Unlimited, a fraudulent pyramid scheme that was successfully prosecuted in federal court last year.

"With 16, that's a fairly" high number, said spokesman Ward Tisdale.

Asked about an investigation, he said: "We're certainly aware of the company.

"Basically, people who have filed complaints are dissatisfied with the product, with signing up with the company and the claims of reduced gasoline prices," Mr. Tisdale said. "Most of them feel like they haven't been given the whole story when they joined."

The 27 complaints filed with the Better Business Bureau of Tarrant County lead the agency's list of complaints filed against multilevel marketing companies in the past year, said Mr. Riggins.

The first complaint was filed in late 1996 and most are from May and June, he said.

By early August, 897 people had inquired about HOPE with the bureau, he said.

"It's a new company and has a high amount of inquiry with it," Mr. Riggins said. "That's an observation."

In comparison, the Better Business Bureau of Tarrant County has received four complaints about the North Texas company that sells gold coins.

Nationally, the Council of Better Business Bureaus reports that complaints against multilevel marketing companies are on the rise - totaling 1,039 last year, compared with 254 in 1995.

Likewise, the council saw a 71.3 percent increase in inquiries in 1996 compared with the previous year, to 77,180 inquiries from 45,062.

The increases are attributed to the growth in promoting companies on the Internet, where thousands of web sites are pushing home-based business.

The council ranked multilevel marketing as the 18th most inquired industry and the 78th most complained about industry out of 327 types of businesses last year.

Pros and cons

About 100 people showed up recently for one of HOPE's weekly distributor meetings, which are held Monday nights at the Medallion Hotel in Dallas.

At the front of the Cypress room, a giant photo of the race car HOPE once sponsored stared at the audience. Outside, a woman signed in attendees at a table covered by HOPE baseball caps and polo shirts.

"Would an extra \$ 600 a month help you get out of debt?" asked energetic speaker Kenny Davis, dressed like a referee in a black-and- white striped HOPE polo shirt. "All we're doing is simply eliminating the middle man."

The same sales pitch is heard week after week. Motivational speakers stress the difference between HOPE and an illegal pyramid scheme.

The Arlington company depends on product sales, while pyramids have no product and pay commission based on the recruitment of new members, the speakers say.

Many in the audience already had heard the spiel. Some said they just needed the extra motivation; others had invited prospects.

Mr. Davis, who once sold gold coins for another network marketing company, went on to say that with national gas consumption at \$ 175 billion last year, everyone could use a little HOPE.

The company doesn't promise to make people millionaires, but its website at <http://www.hopeinc.com> suggests that potential earnings can be \$ 1,000 or more per week.

Distributor Mike Shiomos said that his highest monthly paycheck topped \$ 3,000, which was significantly less than the corporate job in insurance he retired from last October.

But since joining HOPE in March, Mr. Shiomos works only 20 hours a week instead of 60, giving himself more free time to spend with his family - the main reason he left his other job, he said.

"Two things I looked for were one, timing - a company that's brand new or pretty new because historically, people who get involved in a company that's new can work hard and earn top dollars.

"The second is, it's a product with mass appeal," said Mr. Shiomos, who has directly sponsored six people but has about 1,200 people under him.

Unlike Mr. Shiomos, about a dozen residents in Arkansas City, Kan., are unhappy with HOPE, two distributors said.

The dissatisfied residents have been trying unsuccessfully to get their money back because the gas card wasn't accepted at any gas station in the town of 12,762 people.

Kathi Huffman said she had hoped to be earning \$ 600 to \$ 800 a month by now.

She joined HOPE and paid \$ 272.95 on April 8. The Arkansas City resident said that she got the fuel enhancer and sales kit in the mail on May 29 and the gas card on June 13.

But after discovering that she couldn't use the card "within 75 miles" of where she lived, she sent a registered letter in June to HOPE asking for her money back and was told, during a follow-up call, that she'd be getting a 100 percent refund.

A month later on July 25, she sent a second letter to HOPE asking again for the refund.

As of Saturday, she said she had not received a refund from the company.

"I just feel that everything I signed the contract for, it did not happen. It was to be a Visa card, a **pre-paid fuel** card, and I can't use it anywhere. I'm not going to drive 75 miles just to get gas," said Ms. Huffman, who had signed up nine people, four of whom stopped payment on their checks. "It's kind of difficult to sell a service that doesn't work."

One friend Ms. Huffman helped sponsor, Janet Carroll, signed up with HOPE on April 23, but also asked for her money back when two months later, Ms. Carroll had no card or sales kit, as promised within two weeks of joining. Her \$ 272 check was cashed May 2.

"It's no discount when you're sitting at \$ 272 loss and no money back," said Ms. Carroll.

Charles Peeler, who unsuccessfully ran for an Arlington City Council seat last spring, said he joined HOPE in March to get a friend off his back.

Mr. Peeler accepted a \$ 1,000 campaign donation from HOPE, making the company one of his largest contributors.

He knows the gas card works and has used it a couple of times at the Texaco around the corner, he said.

But other than the gas card, Mr. Peeler said, he knows little about the company and has sponsored only one person. He sells insurance and has no time to dedicate to HOPE, other than use the gas card, which is now down to a balance of \$ 11.13, he said.

In June, Mr. Peeler said, he received a \$ 200 check from HOPE for his efforts although he's not quite sure why, given his lack of participation.

"If this company is not operating above the board ethically and not following not only the legal law but the moralistic law, then I wish to distance myself from this company," said Mr. Peeler.

In the beginning

Mark and Greg Manuel met Jeffrey N. Walker at a church concert when Mr. Walker was lead singer for a Christian rock band called The Imperials.

The three men, all of whom had dabbled in multilevel marketing before, banded together last November to market what they believed to be a sure thing.

They stuck with network marketing to save on retailing, advertising and employee costs, said Mark Manuel during an interview in his sparsely decorated Arlington office at 801 Ave. H, Suite 104.

The trio then found 30 private investors, whom Mr. Manuel declined to name, incorporated in Delaware in December and launched the business in centrally located Arlington March 8.

But the main reason Mr. Manuel believes in the company is that even if people decide not to sell the product, there's something in it for them - discount gas.

"The statistics show that eight out of 10 people who get involved spend the money and then don't do anything else," said Mr. Manuel, who considers HOPE a part-time job compared with the pastorate he shares with his brother Greg at Pentecostal Family church in Arlington.

"What separates HOPE from other multilevel marketing companies is that we have a system of value for those eight who don't get involved."

But the route wasn't as easy as they had envisioned. The first gas card was a Mobil Oil fuel card with HOPE's name on it, according to an agreement both companies signed, Mr. Manuel said.

Mr. Manuel said HOPE customers would receive the discount from Mobil, which already offered a

discount of up to 3 cents per gallon for bulk customers who frequent Mobil Oil gas stations.

Ten days after HOPE's launch date, Mobil Oil proclaimed on the Internet that it had nothing to do with HOPE and had no legal agreement, Mr. Manuel said.

Mobil told HOPE the company didn't want to get involved because the oil company believed "all multilevel marketing companies are pyramid schemes," Mr. Manuel said.

It's Mobil's loss, said Mr. Manuel, because "the agreement we had with Mobil was very lucrative. In 1996, Mobil sold \$ 5 million worth of cards. Our first order was \$ 15 million."

Because of the setback, "no one got their card for three months," Mr. Manuel said, adding that distributors were updated weekly of the situation via HOPE's fax-on-demand service.

HOPE filed a lawsuit against Mobil Oil on May 29 alleging breach of contract.

Mobil acknowledges the lawsuit but denies that the company was ever involved with HOPE, said Mobil spokesman Don Turk.

"We do not have an arrangement, a contract, an agreement with this company," Mr. Turk said.

Consumer Internet queries to the company elicited the response: "Mobil has not entered into a contract with HOPE, nor with any other MLM venture. Any comments suggesting otherwise are erroneous. Our legal department is working to halt all such references to our company."

And while many Mobil stations accept debit cards, "it doesn't get them a discount," he said.

Meanwhile, HOPE sought out NTS/First Data Corp. in Fort Worth to set up a universal gas card. NTS had launched a program years ago involving 6,000 truck stops that offered discounts to truckers. NTS created a spinoff gas card for HOPE and established one bank account for under 50,000 users through CoreStates Bank in Philadelphia.

While CoreStates handles the corporate account, NTS handles each individual account, said Don Hagans, senior vice president of NTS/First Data Corp. NTS, however, didn't set up any discounts for HOPE members. In HOPE's sales materials, the company lists 16 oil companies that accept the card at more than 51,000 gas stations nationwide.

But some corporate oil officials question that claim, saying that not all gas stations within a company accept debit cards.

Several companies contacted - including Shell Oil, Citgo, Exxon Company USA, Mobil Oil, Texaco, Unocal and Jiffy Lube - said they do accept Money Access Center debit cards, but most were unfamiliar with HOPE.

None had agreements with HOPE to use the company name in promotional materials.

"Exxon has no contacts with this organization," said Crawford Bunkley, a senior public affairs official at Exxon. "We have no business with them."

Not all of Citgo's 15,000 stations accept the Money Access Center debit card, as HOPE claims, said

Sarah Allert, point-of-sale development manager for Citgo.

"Only a small majority of stations are able to process debit cards," she said.

At Jiffy Lube, which HOPE says accepts the card at 710 locations, officials said they were aware of the company, but only after a few customers showed up with the card, said Cindy Landers, public relations director.

"If someone came in with a card that said HOPE on it, we'd look it up. We might even give the 10 percent discount anyway for good customer relations," she said. "But it's wrong to say 700 locations, because if this is fleet discount, we have 1,460 locations, and the discount would be available at all of them."

HOPE is handling the problems, Mr. Manuel said. More and more gas stations nationwide are accepting debit cards.

The company's growth spurt has prompted the company to make several other changes, he said.

The changes include implementing a pay system in which distributors can earn more money; adding a larger distribution center in Dallas instead of North Carolina; and hiring a new management team as of Friday, Mr. Manuel said.

All product orders should be filled by this month, company officials said.

In addition, the company launched the HOPE Plus card on Aug. 1, allowing users to get similar discounts at Wal-Mart, the U.S. post offices and anywhere else that accepts a debit card with the MAC symbol on it.

The concept of a discount card appeals to Mr. Traynor, the Plano resident who has ceased promoting HOPE but still believes in its original intent.

"The concept is of pre-paid card that would save people 10 percent. From a marketing viewpoint, I thought it actually offered something good because people could actually save money," said Mr. Traynor.

He spent \$ 5,000 on display and travel costs at a Las Vegas truckers convention, but lost new business when people discovered they couldn't use the card or had to wait too long for the products.

"I think HOPE thought they had chosen a good system, but I can't believe that anyone would make a marketing decision like that, and not know that there are areas of the U.S. that aren't on line."

When Mr. Traynor joined HOPE, a different compensation plan was in place that paid less money. His hope was a promise that the company never kept, to make him a corporate trainer, he said.

"Unfortunately, it's affected us drastically," said Mr. Traynor, who said he gave up a high-paying job, health insurance and a 401k plan for the company.

Although he has since taken another job, Mr. Traynor said that he still uses his gas card and has not shut the door on HOPE.

Just the other day, he said, he went into a Winn-Dixie and bought a 12-pack of Coke, a container of milk and a loaf of bread at a 10 percent discount with his gas card.

"I would like to see them get their act together before in good conscience I bring anyone in," he said.

GRAPHIC: PHOTO(S): 1. Greg Maneul. 2. Mark Manuel. 3. Walker. **CHART(S):** (AMN) MOUNTING COMPLAINTS.

LANGUAGE: ENGLISH

LOAD-DATE: October 1, 1997

FOCUSTM

Search: General News;(pre-paid) pre/3 (gas card or gasoline or fuel)

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Aftermarket Business

May 1, 1998

SECTION: No. 5, Vol. 108; Pg. 8; ISSN: 0892-1121

IAC-ACC-NO: 20901257

LENGTH: 679 words

HEADLINE: How to get your fair share of gas before OPEC closes the door; purchasing gas at pre-paid level

BYLINE: Battle, John D.

BODY:

If you read the daily newspapers, it is filled with local stories about the unthinkable drop in gasoline prices. All facets of the news media interview the station with the lowest price and then usually list the stations in various sections of a city where the cheap gas is located.

Gasoline is a commodity just like water and sugar. It is a little more "refined" than most commodities, but it is ubiquitous - available in just about any square mile where more than a thousand people live. If it is a commodity, then it should be marketed like one. For instance, when the local grocery stores or supermarkets place frozen turkeys on sale, people flock through the portals to stock up. In some cases, the turkeys can be stored in freezers until needed. And the store really doesn't care, because it has the customer's money.

Not meaning to tell them how to do business, but I do think the giant oil companies may be missing the mark by not selling gas as a commodity. Think about it. When the price of gas falls to \$ 1.10 a gallon, I think it would be permissible to go in and buy 50 gallons - and pay for it all at once. But I only want to fill up my tank with about 10 gallons. I will return with a debit card to take more of the gas at the price I purchased it for. Here's the gamble. The price on my next trip may be \$ 1.00 and I would then have the choice of using my debit card or cashing in on the \$ 1.00 price.

But if the price rockets to \$ 1.20, then you have hit a golden vein. It's a gamble either way.

And how good can it get for the gas company. They have your money and still have their gas.

That should work out for all the gas companies because they are all in competition for your money. They all sell the same commodity, so the company that grabs your paycheck is far ahead of the others.

Just to be sure the program was not operating, I contacted the marketing department of one of the major oil companies to find out if you could purchase gasoline at a certain price. The woman at the marketing department said that they did have a program where you could pre-pay for the gasoline but

there was no stipulation about pre-paying at a **set price**.

I asked if the program was possible. She politely said it wasn't in their plans. This seemed like a good idea at the time, especially when the gas prices are lower than they have been in recent memory. Maybe I should take a photo to show to **future** generations that the **price** actually was below a dollar a gallon.

With the OPEC countries (and some non-OPEC countries) rallying for a gas shortage, this could be the last "trip" below a dollar.

One of the more uplifting events that I have attended was the Lifesavers Conference which was held in Cleveland. The people attending are genuinely interested in lowering the fatalities on the highways.

One of the highlights was a luncheon sponsored by the National Highway Traffic Safety Administration (NHTSA). Phil Recht, the deputy administrator for NHTSA, outlined the agencies goal of reducing the fatalities by 20 percent by the year 2008. (Recht was a last-minute replacement for NHTSA administrator Ricardo Martinez, M.D., who was unable to attend due to a family emergency.)

It was also an awards luncheon, where NHTSA honored the recipients of the 1998 Awards for Public Safety. The awards were given to a divergent group. Many had different reasons, but the most compelling were testimonies from parents about losing a child in a highway accident and then losing a second child a few years later. Another recipient was the owner of a repair garage who went out of his way to help families install baby seats correctly in their vehicles. The list also included law enforcement personnel, a retired driver education instructor, an emergency room doctor, a nurse and a director of a substance abuse educational program.

The attendees of this yearly conference also have one other element besides reducing highway fatalities. They need funding to carry out their goals. I would think they could find some help in the aftermarket.

LANGUAGE: ENGLISH

IAC-CREATE-DATE: August 11, 1998

LOAD-DATE: August 12, 1998

FOCUSTM

Search: General News;(pre-paid w/s gas) and (price w/s (future or lock or...

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National Petroleum News

June 1, 1999

SECTION: No. 6, Vol. 91; Pg. 22; ISSN: 0149-5267

IAC-ACC-NO: 55834438

LENGTH: 1214 words

HEADLINE: Stealth marketing; how convenience stores can benefit from high-volume retail technology

BYLINE: Vavra, Bob

BODY:

C-stores can use HVR technology to compete effectively

Out front, close to the street, is a gasoline retail site. At the far end of the parking lot, under one roof, is a grocery store, a dry cleaners, a liquor store, a pizza retailer and financial and real estate locations.

It sounds a great deal like the hypermarkets that convenience store operators have long feared. But it's really a petroleum retail site in front of a strip shopping center in any town in America.

Envisioning the same kind of relationships between petroleum retailers and neighboring businesses that hypermarkets can harness in one building with an external gasoline facility, Abeline, Texas-based AutoGas Systems is marketing its Regal VIP system to c-store owners with the same enthusiasm that it has to the high volume retailer (HVR) marketplace.

The Regal VIP system ties coupons issued at non-gasoline sites to be redeemed at the pump for lower gasoline prices. In its first incarnation, the AutoGas system uses Catalina coupons and the WayneSCAN bar code reader at the pump to convert shopping incentives provided by marketers such as soft drink and alcohol distributors into discounts on gasoline at the pump.

"We look at it as a way for the c-store industry to compete with a new market concept," said AutoGas President and CEO Randy Nicholson, who helped develop the original pay-at-the-pump technology in the early 1980s. "I think it's a way for them to survive and utilize resources. There's \$ 70 billion (in marketing promotion incentives) out there. If they sit back and let the HVRs take the market, they're not going to be successful."

The trick is in tying the people offering the incentives together. For an HVR, that's easy. All the related retail opportunities are bound together under a single canopy, even if that involves a series of cobranding efforts.

But Nicholson is betting just as hard that c-store and individual gasoline retailers can find the same connections if they just look around.

"The system can be easily tied to a third-party provider. It can be tied to a strip center - a dry cleaners or a pizza parlor" Nicholson said. "What this does is tie all the business enterprises together."

That's one of the advantages of cobranding, but individual c-store operators have been slow to react to the emergence of HVRs. Many retailers see the merger of gasoline and HVRs as a double-barreled way to put c-stores at a disadvantage, especially on the volatile issue of gasoline prices.

"This is a system we put in place for the HVRs," said Gary Devlin, director of new business development for AutoGas. "We're bringing the same technology to the c-stores. They'll be able to do unattended fueling. They'll recognize a proprietary card. We're bringing some of the same things we've used with hypermarkets to the c-store industry."

The ability to tie the technology together, and the willingness to expand the use of the technology, is how AutoGas, Wayne and Catalina found themselves together. "It's peanut butter and chocolate," says Mike Zahajko, Wayne's manager of new business development. "We're putting good ideas together. This is the beginning of the next generation of retail petroleum sales."

Marketing items at the store level, whether HVR or c-store, has evolved several times in the past two decades, and Devlin sees another evolution.

"This is going to change the way gasoline is marketed," he predicted. "The street price is going to be irrelevant. Each customer is going to be able to set his or her own price. Gasoline is going to be the catalyst to do it."

The process simply ties a number of technologies and existing practices together in an integrated plan. The bar code scanned on an item at a checkout lane is tied to the gas price coupon, which comes out of the coupon printer and sends the information to the AutoGas system. The coupon, which also has a bar code, is scanned under the WayneSCAN device at the pump, and the pump price drops by the specified level. This can be done repeatedly with the coupons earned at the initial purchase point, dropping the price to whatever maximum level the retailer might choose. Any overage can be refunded with a coupon to be used at the next purchase.

It can also be tied to the use of a loyalty card, or to a **pre-paid gas card**, which would also take advantage of the scanner technology. After the transaction, the pump could even be prompted to issue another coupon for an item back in the original store, or in a participating marketer off-site. It's all part of a program AutoGas officials refer to as "stealth marketing."

Combining a scanner, POS software at the pump and coupon generation has been an evolutionary process, Zahajko notes. "It's creative a very effective incentive program," he says. "It's been pretty neat to see the actual implementation. I expect more over time."

The program has undergone limited testing in Texas, and the early returns have been encouraging, Nicholson said. "It's been very, very successful. Sales are up 37 percent, and they're selling more stuff inside the store, items with a higher gross profit margin."

Nicholson and Devlin said a number of c-store companies are looking at the system. So are major

petroleum retailers, who have watched HVRs use unbranded gasoline. "They're going to have to come to grips with this as well," Devlin said.

Catalina Marketing Corporation Director of Marketing David Klingle said his company is studying the applications of this technology in other areas. "We're pursuing alternative classes of trade, including convenience," Klingle said. We're looking at a pay-for-performance program where the product interacts with a loyalty card."

Calling AutoGas and Wayne "the most forward-thinking: on the technology to tie incentives to gasoline retails, Klingle said the changing face of petroleum retailing calls for new marketing ideas.

"With the increased competition and consolidation, what will differentiate my store brand?" he said. "You can offer loyalty with fuel. The purchases in the store drives the gasoline prices, and that reinforces the value. It adds convenience, and a relationship with the retailer."

It also returns the gasoline marketers to a more aggressive stance in the industry, Zahajko says. "They were innovators at one time," he says. "Now they've been sitting back. People are coming in with gas and grocery together.

"I'm not saying that the whole world is going to beat a path to loyalty marketing," he says. "But there are two ways you can market yourself. One is low cost. The other is differentiation from your competition. The technology, more than ever, is out there."

But more than the technological advances of a system like the Regal VIP, Nicholson believes the c-store industry can survive and thrive by matching the HVR's willingness to market aggressively and offer a wide range on incentives on products. To do that, he said, they have to expand their concept of just what an HVR really is - a collection on individual business opportunities tied together for their common benefit.

"There really is hope out there," Nicholson said. "There's been so much despair. We think we've got a solution where they can survive."

LANGUAGE: ENGLISH

IAC-CREATE-DATE: October 6, 1999

LOAD-DATE: October 07, 1999

FOCUSTM

Search: General News;(pre-paid) pre/3 (gas card or gasoline or fuel)

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Where you can use the Cards

You may use the fuel card at over 200,000 locations across the nation. Not only can you use the cards in the U.S., but you may also receive International Cards if you live outside the U.S. or you are going on vacation and need to use your cards overseas or in Canada.

How to use the Pre-Paid Fuel/ATM Card

You use the card just like you would any other major debit card. You will have \$300 worth of fuel, groceries, merchandise etc., already paid for! *The "Penny per Gallon" is based on a \$1 per gallon average. If you have gasoline in*

your area for less than a dollar, you keep the change. You will receive the cards approximately 3-4 days after cycling and they're ready to use.

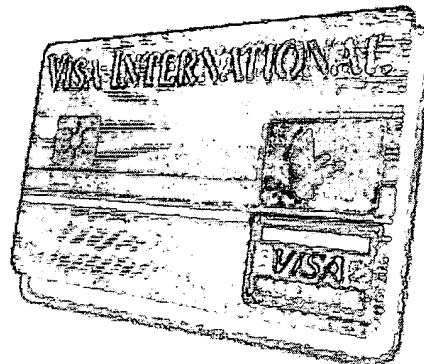
What can I buy with the card?

You can buy anything the participating retailers have for sale! You can buy fuel for just a penny per gallon along with snacks, coffee and other items at the station for just pennies on the dollar. You can even buy the kids toys or the family's groceries at your local store! These cards are very powerful! Instead of using your credit cards, take your Fast Team pre-paid Fuel/ATM card with you. You'll save tremendous amounts of money using this card.

FastTeam's International Card is the tool we use to pay distributors their commissions fast. In addition, cardholders can receive their commissions overnight anywhere around the world. The cardholder is also allowed to make purchases at over 16 million commercial outlets around the world. The FastTeam International Card is ANOTHER great tool/perk that FastTeam offers its members!

The FastTeam International Card is an Electronic International Debit Card and can be used internationally or locally by the cardholder in any country or currency. The cardholder is responsible for the use of the card, just like any other debit card.

International Debit
Card available to
FastTeam
members



FastTeam's
Healthcare
Savings Card

Healthcare costs are increasing
each and every year!

Now you can do something
about it.

Order Your Healthcare Savings Plan Membership

**PLAN "A" INCLUDES THESE 8
BENEFITS**

- 1. Save up to 50% on Prescription Drugs!** That's right! You save an average of 20% on both brand name and generic prescription drugs at a network of over 40,000 participating pharmacies, including most major chains. Additionally, our convenient mail order pharmacy saves up to 50% on virtually all prescription drugs from the comfort of your favorite armchair!
- 2. Save up to 40% at the Dentist!** A network of over 16,000 dentists nationwide will be happy to provide services to Best Benefits members at a saving of 10% to 40% on dental services.
- 3. Save up to 60% on Glasses, Contact Lenses - Even on Sunglasses!** You get up to 60% savings on prescription eyewear from a nationwide network of over 7,000 locations. These include conveniently located major outlets, such as Sears, Montgomery Wards, J.C. Penney, and Pearle Vision. In addition, our mail order service offers you even greater savings on replacement contact lenses and nonprescription sunglasses!
- 4. Save up to 50% at the Chiropractor!** Over 9,000 chiropractors nationwide offer you a consultation with 50% discounts on diagnostic services including x-rays, and a 30% discount on all other services.
- 5. Save up to 20% on Hearing Aids and Supplies!** For the hearing impaired, we have a network of audiologists. And you enjoy discounts of up to 20% on hearing aids and related supplies, along with annual cleaning and check of hearing aids purchased through the program.

6. 24-hour Medical Info Line! Our service offers 24-hour toll-free access for medical info. Your call goes to a professional information center staffed by Registered Nurses averaging more than 15 years experience.

7. Emergency Travel Benefit! Provides 24-hour access to multilingual representatives to assist members with a wide variety of travel related situations such as emergency air evacuation and assistance in obtaining medical care both within the USA and abroad. Also includes emergency legal assistance, emergency message service, insurance coordination, lost baggage, passport assistance, and travel agency services.

8. Medical Records Storage and Retrieval Service! Provides a "*safe deposit box*" for vital health info and documents including medical conditions, allergies, medications, emergency contact, physician contacts, insurance info and advanced directories such as living will and organ donation authorizations.

Plan "A" is not available in California, Washington State or outside the USA at this time.

**PLAN "B" INCLUDES ALL 8 BENEFITS
OF PLAN "A" PLUS:**

"The Physician Program"

The "Physician Program" provides savings to members who do not have health insurance or to members who require services that may not be covered by their health insurance. Members save between 15% - 30% at over 240,000 participating physicians.

Note: Plan "B" is not available in California, Washington State, or outside the USA at this time

**ONE MEMBERSHIP CARD FOR THE
WHOLE FAMILY!**

Plan Wholesale Retail

A	\$24.95	\$34.95
B	\$29.95	\$49.95

Print Application Here

You must have the Adobe Plug-In to view and print all PDF documents. You may download the free viewer at <http://www.adobe.com/prodindex/acrobat/readstep.html>.



\$\$ So... How Do I Make Money! \$\$

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FastTeam ID: 1000

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Frequently Asked Questions

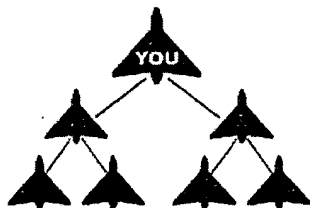
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Q- What is the FastTeam 2x2 forced matrix and how it works?

A- FastTeam's 2x2 forced matrix is the state of the art compensation plan in the MLM industry. It is the simplest, fastest, easiest system. It works for almost everybody, including the experienced networking professionals and the absolute beginner. Our system is not a binary where you always have problems to balance each leg. The computer does the balancing for you automatically.

Q- What is a cycle?

A- A cycle is when you and your team accumulate 6 people in your entire organization. You must personally sponsor at least 2 people to cycle and collect commissions and Gasoline Cards.



Q- Do I need sponsor a lot people?

A- No. You only need sponsor 2 people, for one cent per gallon. (Everybody can sponsor 2 people). If you don't think you can sponsor 2 people to the FastTeam- Penny Gasoline Club, then you should not join.

Q- How do I get paid?

A- After you sponsor 2 people, and they each sponsor 2 you will not only get your \$198 back, you can also buy \$300 pre-paid gasoline card for only \$3! If you want to make unlimited \$500 pay checks, you can sponsor as many people as you want. And those you sponsored will always follow you, never a break or wash away. Every four cycles (\$500 commission checks :o)) you are entitled to buy \$100 pre-paid cards for only 1!

Q- How often can I be paid?

A- Unlimited \$500 checks daily!

Q- Am I required to maintain monthly purchase volume in order to earn commissions?

A- No. One time out of pocket!

Q- How do I get paid residual?

A- Everyone under you within 7 levels, every time they get paid, you will be paid a \$5 leadership bonus. This could be a huge residual income with volume!

Q- How can I leverage my income?

A- You can have more than one profit center by different SSN# or Fed. ID#.

Q- How to use Fast Team Pre-Paid Gasoline Card?

A- FastTeam pre-paid card can be used to purchase gasoline and just about everything else! It is not like a credit card or a debit card with your name on it, which you can't resale or give it away as a present. Our cards can be used nation wide now. And in January 1999 the card will be available world wide.